

AGREEMENT FOR DONATION TO
STATE HIGHWAY FUND SPECIAL ACCOUNT
AND ESCROW INSTRUCTIONS



DATE: June 6, 1985

PARTIES: W. L. GORE & ASSOCIATES, INC., a
Delaware Corporation ("GORE") P.O. Box
800, Flagstaff, Arizona 86002

FLAGSTAFF RANCH ASSOCIATES, a Nevada
joint venture ("F.R.A.") 2300 Paseo Del
Prado, Building B, Suite 107, Las Vegas, Nevada

ARIZONA DEPARTMENT OF TRANSPORTATION
("A.D.O.T.") 206 S. 17th Avenue, Phoenix,
Arizona 85007

TRANSAMERICA TITLE INSURANCE CO., an
Arizona corporation ("ESCROW AGENT") P.O.
Box 970, Flagstaff, Arizona 86002

PROJECT: Project I-40-3-855, Ash Fork-Flagstaff Highway
Dairy Road T. I., Parcel 3-264

RECITALS

1. A.D.O.T. has adopted a five year transportation facilities construction program required by A.R.S. §28-1825. This program shows a present and future need to construct additional transportation facilities in the Dairy Road/I-40 vicinity including the Project.

2. GORE and F.R.A. as DONORS are interested in bringing about the existence of the Project as soon as practicable because these parties are developing a large planned community in the vicinity of the Project.

3. A.R.S. §28-1821 provides a method for parties such as GORE and F.R.A. to donate real property and funds to the State Highway Fund Special Account for the purposes of encouraging and expediting the construction of public highways and related facilities.

4. The Project shall be constructed in two phases, with Phase I commencing in approximately June, 1985, and Phase II commencing in the Spring of 1986.

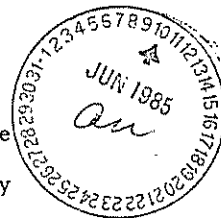
AGREEMENT

For and in consideration of the mutual promises and covenants of GORE, F.R.A. and A.D.O.T., and for other good and sufficient consideration, receipt of which is hereby acknowledged, the parties agree as follows:

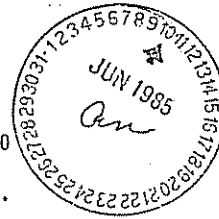
1. Donations of GORE and F.R.A. for Phase I of the Project shall be in cash and real property for right-of-way purposes. The real property donated for right-of-way purposes is agreed by the parties to have a value of \$7,500.00 per acre, which shall offset cash donations at this value.

2. F.R.A. and GORE shall during the term of the project donate SIX HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$650,000.00) or fifty percent (50%) of the overall bid price including Phases I and II, whichever is less, toward the construction of the ramps, crossroad and associated incidental items necessary for the construction of the project. F.R.A. and GORE shall further donate TWO HUNDRED ELEVEN THOUSAND TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$211,250.00) or twenty-five percent (25%) of the overall bid price including Phases I and II, whichever is less, for the construction of bridges for the Project. The amounts of such donations shall be offset by the value of donations of real property. The overall value of the donations of F.R.A. and GORE, in cash and real property, shall be equal during the term of the Project.

3. Donations in 1985: F.R.A. and GORE shall donate to A.D.O.T. all real property agreed upon by the parties, at the value set forth above, by warranty deed conveying fee title, no later than June 28, 1985. F.R.A. and GORE shall further donate, by payment to ESCROW AGENT, fifty percent (50%) of the bid price for the interchange portion of the Project during Phase I and subject to the 1985 contract or FOUR HUNDRED TWENTY-FOUR THOUSAND TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$424,250.00), whichever is less, and twenty-five percent (25%) of the bid price for the westbound bridge portion of Phase I, under the 1985 contract or ONE HUNDRED FIVE THOUSAND SIX HUNDRED TWENTY-FIVE AND NO/100 DOLLARS (\$105,625.00), whichever is less, which cash donations shall nevertheless be reduced by the value of the real property donations as described above. It is agreed that the total cash donation of GORE during 1985 shall be ONE HUNDRED



THIRTEEN THOUSAND FOUR HUNDRED NINETY-SIX AND 75/100 DOLLARS (\$113,496.75), and the total cash donation of F.R.A. during 1985 shall be One Hundred Forty Thousand, Five Hundred Thirteen and 25/100-----(\$140,513.25). Such sums shall be paid to ESCROW AGENT no later than June 14, 1985.



4. Donations in 1986: The parties acknowledge that a second contract shall be separately entered into in 1986 for completion of Phase II of the Project. GORE and F.R.A. shall collectively donate fifty percent (50%) of the bid price as bid for the 1986 contract for completion of the interchange, including ramps and crossroad, or TWO HUNDRED TWENTY-FIVE THOUSAND SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$225,750.00), whichever is less, and shall further donate twenty-five percent (25%) of the bid price for the 1986 contract, for the eastbound bridge or ONE HUNDRED FIVE THOUSAND SIX HUNDRED TWENTY-FIVE AND NO/100 DOLLARS (\$105,625.00), whichever is less, by the date set for bid call in 1986.

5. Review and Approval: GORE and F.R.A. shall be furnished the proposed bid cost breakdown format prior to solicitation of bids for the 1986 contract.

6. Escrow Agreement:

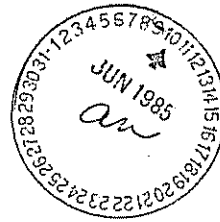
A. All donated funds shall be placed with ESCROW AGENT in escrow in an interest bearing account with interest accruing to the DONOR(S). The DONOR(S) providing such funds shall select the banking institution or other entity holding such funds. Upon written approval of F.R.A., GORE and A.D.O.T., the DONOR(S) or either of them may place in escrow a letter or letters of credit in form satisfactory to all parties in an amount sufficient to fulfill such DONOR'S (DONORS') pledge hereon.

B. Should the full balance due to A.D.O.T. under the terms of this agreement be less than the amount of funds held by ESCROW AGENT on behalf of a DONOR, the remaining funds shall be paid to such DONOR upon the written request of that DONOR.

C. Funds shall be disbursed to A.D.O.T. upon written request of A.D.O.T. bearing the written approval of (1) George Sebits who is hereby authorized to act for all purposes under this agreement on behalf of F.R.A., and (2) Don Goffena who is hereby authorized to act for all purposes under this agreement on behalf of GORE. Pay requests (1) shall be initiated by A.D.O.T., (2) shall be forwarded to George Sebits with a copy to GORE, (3) shall be forwarded by George Sebits to GORE, and (4) shall, upon obtaining both approvals, be forwarded by GORE to ESCROW AGENT, which shall thereupon disburse such funds as are approved for payment in accordance with the terms of such request for payment. Funds shall be disbursed to A.D.O.T. on a percentage-complete basis, but (1) as to funds in the form of certificates of deposit, including all funds deposited as of the date of this Agreement for completion of Phase II, no less frequently than upon the maturity date(s) of certificates of deposit deposited in escrow by DONOR(S), and (2) as to other funds, no less frequently than monthly. Should GORE, F.R.A. or A.D.O.T. elect to withdraw from participation or cancel the Project, all donated funds and right-of-way shall revert to the respective DONOR(S).

D. Upon request, the ESCROW AGENT shall furnish the DONOR(S) a statement showing the transactions since the preceding statement and the escrowed funds being held by the ESCROW AGENT. From time to time at the request of the DONOR(S), the ESCROW AGENT will furnish to A.D.O.T. and to the DONOR(S) an interim statement showing the escrowed funds currently being held as of the 25th day of each month or if the 25th is a non-business day, then the next following business day.

E. All fees, costs and charges made by the ESCROW AGENT in connection with the holding in escrow of the escrowed funds pursuant to the provisions of the understanding shall be paid by the DONOR(S). The escrowed funds shall be free of any claim or charge for such fees or charges. The ESCROW AGENT may pay itself for such accrued fees and charges



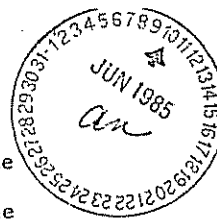
out of interest received from the escrowed funds or deduct the same from any portion of the escrowed funds to be paid to the DONOR(S) according to written authorization from A.D.O.T.

F. It is clearly understood that the ESCROW AGENT shall not be deemed liable or responsible for the collectivity of any certificates of deposit, letters of credit or treasury bills purchased or held pursuant to the terms and conditions of this escrow. A.D.O.T. shall have the right to have its designated representatives inspect the escrowed funds from time to time to determine the authenticity of the escrowed funds. If such inspection shall determine any part or all of the escrowed funds is not authentic or collectible, the DONOR(S) shall have the obligation to forthwith correct such deficiency.

G. Notwithstanding anything to the contrary herein appearing, the ESCROW AGENT shall have no duty to know or determine the performance or non-performance of any term or conditions between the DONEE and the DONOR(S), and the duties and responsibilities of the ESCROW AGENT limited to those specifically stated herein.

H. GORE and F.R.A. authorize ESCROW AGENT in the event of any conflicting demands made upon it concerning these instructions, or this escrow, at its election, to hold any money and documents deposited hereunder until it receives mutual instructions by all parties or until a civil action shall have been finally concluded in a court of competent jurisdiction, determining the rights of all parties. In the alternative, ESCROW AGENT may at its discretion at any time, commence a civil action to interplead any conflicting demands to a court of competent jurisdiction to determine its rights and the rights of the parties to this escrow. The parties will pay to ESCROW AGENT its expenses and attorneys' fees sustained in connection with the civil action, and any appeal to determine its rights and the rights of the parties to this escrow.

I. ESCROW AGENT, solely at its election, can resign as ESCROW AGENT by sending written notice to all parties



to the escrow. The resignation is effective twenty (20) days after the notice(s) is put in the United States Mail. All money and documents held by ESCROW AGENT after its resignation will be returned to the proper parties or held by ESCROW AGENT at ESCROW AGENT'S discretion.

J. Unless separately agreed to in writing by the parties hereto, ESCROW AGENT is under no obligation to provide title insurance to any of the parties in this transaction.

7. Parties approve and agree to accept as F.R.A.'s donation for Phase II to be performed in 1986, the letter of credit, a true copy of which is attached hereto and incorporated herein by reference.

8. This agreement shall be governed by the laws of the State of Arizona.

9. In any action brought to enforce the terms of this agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs of litigation.

10. This Agreement may be executed in counterparts which upon execution by all parties shall be deemed a complete and integrated Agreement binding upon all parties.

WHEREFORE the parties have executed this agreement effective the date and year first above written.

FLAGSTAFF RANCH ASSOCIATES, a
Nevada joint venture

Associate A: Durable Developers,
Inc., a Nevada corporation

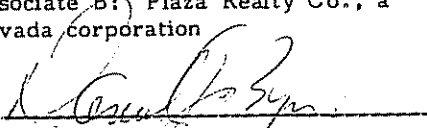
By


Brian K. Wright

Title Vice President

Associate B: Plaza Realty Co., a
Nevada corporation

By


Daniel F. Byron

Title President

Associate C: Sebitts Limited
Partnership, an Arizona limited
partnership



By *George Sebitts*
George Sebitts

Title General Partner

W. L. GORE & ASSOCIATES, INC.,
a Delaware corporation

By _____
Don Goffena

Title _____

ARIZONA DEPARTMENT OF
TRANSPORTATION

By _____
W. O. Ford

Title State Engineer

TRANSAMERICA TITLE INSURANCE
COMPANY, an Arizona corporation

By _____
K. Andrew Fox

Title Coconino County Manager

Associate C: Sebitts Limited
Partnership, an Arizona limited
partnership

By _____
George Sebitts

Title _____
General Partner

W. L. GORE & ASSOCIATES, INC.,
a Delaware corporation

By _____
Don Goffena

Title _____

ARIZONA DEPARTMENT OF
TRANSPORTATION

By _____
W. O. Ford
Title _____
State Engineer

TRANSAMERICA TITLE INSURANCE
COMPANY, an Arizona corporation

By _____
K. Andrew Fox
Title _____
Coconino County Manager

Associate C: Sebitts Limited
Partnership, an Arizona limited
partnership

By _____
George Sebitts

Title _____
General Partner

W. L. GORE & ASSOCIATES, INC.,
a Delaware corporation

By Don Goffena
Don Goffena

Title Associate

**AFTER SIGNING,
RETURN DIRECTLY
TO:**

A.D.O.T. R/W - (330 E)
CONDEMNATION SERVICES
205 S. 17TH AVENUE
PHOENIX, AZ. 85007.

ARIZONA DEPARTMENT OF
TRANSPORTATION

By W. O. Ford
W. O. Ford

Title State Engineer

TRANSAMERICA TITLE INSURANCE
COMPANY, an Arizona corporation

By _____
K. Andrew Fox

Title Coconino County Manager

PARTIES' MAILING ADDRESSES:

Flagstaff Ranch Associates
7510 E. First Street
Scottsdale, Arizona 85251
Phone: 994-5642
Contact Person: George Sebitts

W.L. Gore and Associates, Inc.
1500 N. Fourth Street, Dock 3
P.O. Box 800
Flagstaff, Arizona 86002
Phone: 526-3030
Contact Person: Don Goffena

Transamerica Title Company
223 N. San Francisco
Flagstaff, Arizona
Phone: 774-7191
Contact Person: K. Andrew Fox, Escrow

State of Arizona
Department of Transportation
205 South 17th Avenue
Phoenix, Arizona 85007
Contact Person: James Oxley, Engineering
Phone: 255-7707
Contact Person: Greg Williams, Contracts
Phone: 255-7771
Contact Person: Ben Patterson, Accounting
Phone: 255-7666

DJ

ADDENDUM NO. 1 TO
AGREEMENT FOR DONATION TO
STATE HIGHWAY FUND SPECIAL ACCOUNT
AND ESCROW INSTRUCTIONS

DATE: June 28TH, 1985

PARTIES: W. L. GORE & ASSOCIATES, INC., a
Delaware corporation ("GORE") P.O. Box
800, Flagstaff, Arizona 86001

FLAGSTAFF RANCH ASSOCIATES, a Nevada
joint venture ("F.R.A.") 2300 Paseo Del
Prado, Building B, Suite 107, Las Vegas,
Nevada

ARIZONA DEPARTMENT OF TRANSPORTATION
("A.D.O.T.") 206 S. 17th Avenue, Phoenix,
Arizona 85007

TRANSAMERICA TITLE INSURANCE CO., an
Arizona corporation ("ESCROW AGENT") P.O.
Box 970, Flagstaff, Arizona 86002

PROJECT: Project I-40-3-855, Ash Fork-Flagstaff Highway
Dairy Road T. I., Parcel 3-264

RECITALS

WHEREAS, the parties have entered into an Agreement,
a copy of which is attached hereto as Exhibit A; and,

WHEREAS, the parties desire to clarify any ambiguity
or misunderstanding regarding the terms and conditions of the
Agreement;

AGREEMENT

NOW THEREFORE, the parties agree to clarify and make
known unequivocally the intention and agreement between the
parties concerning the following provisions:

1. Paragraph 4, p. 3 of the Agreement

The parties agree to delete the first sentence and
in its place add:

The parties acknowledge that
A.D.O.T. will solicit bids and award
a construction contract in 1986 for
Phase II of the Project.

2. Paragraph 6(c), p. 4 of the Agreement

The intent and purpose of the provision stating,
"Should GORE, F.R.A. or A.D.O.T. elect to withdraw from par-
ticipation or cancel the Project, all donated funds and right-
of-way shall revert to the respective Donor(s)," is to address
the disbursement of escrow funds after deposit of the funds in

escrow, but prior to the commencement of any construction on the project.

3. Paragraph 6(e), pp. 4 and 5 of the Agreement

The parties agree to delete the last sentence and in its place add:

The Escrow Agent may pay itself for such accrued fees, costs and charges out of interest received from the escrowed funds. Should the interest received from the escrowed funds be inadequate for this purpose then GORE and F.R.A. agree to share equally in payment of the remaining escrow fees, costs and charges.

4. Paragraph 6(i), p. 5 of the Agreement

The parties agree to add:

Upon such notice a successor Escrow Agent shall be appointed upon unanimous consent of the parties.

5. Signature line for Arizona Department of Transportation, p. 7 of the Agreement

The parties acknowledge that since the drafting of the Agreement the State Engineer has changed from Charles L. Miller to W. O. Ford and thereby agree that W. O. Ford may sign the Agreement in the capacity of State Engineer for the Arizona Department of Transportation.

6. This Addendum No. 1 is prepared to set forth the full intention of the parties from the beginning and as the same exists today in order that there be no misunderstanding between GORE, F.R.A., A.D.O.T. and Escrow Agent. In all other respects, the Agreement shall remain in full force and effect.

N WITNESS WHEREOF, the parties have executed this Addendum No. 1 the day and year first above written.

FLAGSTAFF RANCH ASSOCIATES, a
Nevada joint venture

Associate A: Durable Developers,
Inc., a Nevada corporation

By _____
Floyd M. Wright

Title _____
President

Associate B: Plaza Realty Co., a
Nevada corporation

By _____
John H. Midby

Title _____

Associate C: Sebits Limited
Partnership, an Arizona limited
partnership

By _____
George Sebits


Title General Partner

W. L. GORE & ASSOCIATES, INC.,
a Delaware corporation

By _____
Don Goffena

Title _____

ARIZONA DEPARTMENT OF
TRANSPORTATION

By  _____
W.O. Ford

Title State Engineer

TRANSAMERICA TITLE INSURANCE
COMPANY, an Arizona corporation

By _____
K. Andrew Fox

Title Coconino County Manager

**AFTER SIGNING,
RETURN DIRECTLY**

TO: A.D.O.T. R/W - (330 E)
CONDEMNATION SERVICES
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PHOENIX, AZ. 85007

ADDENDUM NO. 1 TO
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AND ESCROW INSTRUCTIONS

DATE: June 21st, 1985

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Nevada joint venture

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Floyd M. Wright

Title President

Associate B: Plaza Realty Co., a
Nevada corporation

By John H. Midby

Title Sec

Associate C: Sebits Limited
Partnership, an Arizona limited
partnership

By George Sebits

Title General Partner

W. L. GORE & ASSOCIATES, INC.,
a Delaware corporation

By Don Goffena

Title Associate

ARIZONA DEPARTMENT OF
TRANSPORTATION

By W.O. Ford

Title State Engineer

TRANSAMERICA TITLE INSURANCE
COMPANY, an Arizona corporation

By K. Andrew Fox

Title Coconino County Manager